energy bill on due dates. In view of the above, the long pending issues between BSEB and HEC are likely to be settled and power supply to HEC from BSEB it not likely to be disconnected.

**Incremental Incentive to AES Trans-Power**

4502. SHRI N. GIRI PRASAD : Will the Minister of POWER be pleased to state:

(a) whether it is a fact that "AES Trans-Power" a US multi-national was allowed higher incremental incentive value of one per cent in its deal with Orissa Power Corporation instead of 0.7 per cent;

(b) if so. what are the reasons therefor ; and

(c) the reasons for the delay in issuing orders by Government to peg the value at 0.7 per cent for production of power above the agreed Plant Load Factor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and ( b) The Power Purchase Agreement between Orissa State Electricity Board (OSEB) and AES for 420 MW lb Valley Power Project in Orissa has been concluded on 10th May, 1993 after negotiations based on Govt, of India tariff notification dated 31-3-1992, which *inter alia* provided that the incentive rate beyond normative Plant Load Factor (PLF) could be negotiated between the concerned SEB and the private generating Company. OSEB has included an incentive of 1% raise on return on equity for each 1% raise in PLF beyond 68.5 PLF.

(c) There was no delay whatsoever in issuing the notification of 9-1-1994 limiting the incentive to 0.7%. The said notification would govern Power Purchase Agreements entered after the said notification and the incentive of 0.7% referred to in the notification had no relevance to the Power Purchase Agreement of 10th May, 1993.

**Power Crisis in Uttar Pradesh**

4503. SHRI B. K. HARIPRASAD : Will the Minister of POWER be pleased to state :

(a) whether it is a fact that Uttar Pradesh is likely to face the worst-ever power crisis by the end of Eighth Five Year Plan according to a report prepared by the Energy Management Committee of the PHD Chamber of Commerce;

(b) if so, whether the reasons attributed to such eventuality include faulty transmission and distribution network and power theft;

(c) what is the Plant Load Factor (PLF) of Uttar Pradesh State Electricity Board's (UPSEB) thermal power plants in comparison to national PLF average and whether there has been any improvement or decline of UPSEB's PLF over the last three years; and

(d) whether despite this bleak performance, UPSEB has been piling up loan repayment liabilities to over-seas funding agencies and if so, whether Government would consider leasing UPSEB's plants to National Thermal Power Corporation for a possible turnaround ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) The estimated energy shortage in Uttar Pradesh during the terminal year of the Eighth Five Year Plan, based on the envisaged capacity addition programme of 30537.7 MW, is 11.9%.

(b) The above energy shortage in Uttai[J] Pradesh is due to, inter inadequate generating capacity addition, low plant load factor, high transmission and distribution losses and delayed implementation of transmission works. Many approved and on-going projects are suffering due to severe funds constraint*.

(c) The plant load factor of the thermal power plants of Uttar Pradesh SEB and on All India basis for the last three years is as follows :

P.L.F.(%)

| Year | Utter Pradesh | All India |
|---|---|---|
| 1991-92 . | 44.03 | 55.3 |
| 1992-93 . | 50.50 | 57.2 |
| 1993-94 . | 50.10 | 61.0 |

(d) No, Sir.